

THE INDIA – MIDDLE EAST – EUROPE CORRIDOR (IMEC): A COMPLEX ENDEAVOR

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



On 10 September 2023, on the sidelines of the G20 summit in New Delhi, Saudi Arabia’s Crown Prince Mohammed bin Salman, alongside representatives from the United States, United Arab Emirates (UAE), and the European Union unveiled plans to create a transformative transport and economic corridor that would connect South Asia with the Gulf countries and European nations. This ambitious initiative, known as the "India – Middle East – Europe Corridor" (IMEC), was formalized through the signing of a Memorandum of Understanding by the participating parties.

The proposed 4800 km¹ trade route comprises two primary corridors: the east corridor, connecting India to the Gulf; and the northern corridor, linking the Gulf to Europe. At its core, IMEC seeks to establish a reliable and cost-effective cross-border ship-to-rail transit network, complementing existing maritime and road transport routes. This network aims to facilitate the seamless movement of goods and services between key regions, including India, the UAE, Saudi Arabia, Jordan, Israel, and Europe.

1 "How Saudi-backed India-Middle East corridor is ‘game changer’ for New Delhi," Arab News, September 16, 2023.
<https://www.arabnews.pk/node/2374786/world>

Estimated route of the IMEC Corridor:



(Map sourced from the Survey of Pakistan)²

The project involves a multifaceted approach, encompassing the construction of an extensive railway network and the development of relevant port infrastructure stretching from India through the Gulf to the Mediterranean. The participants have a shared goal of enhancing the capacity of transportation routes for the efficient movement of export and transit cargo. Notably, IMEC represents the first major cooperation initiative in the field of communications and transport that brings together nations as diverse as India, the UAE, Saudi Arabia, the European Union, France, Italy, Germany, and the United States.

IMEC's potential impact on the global economic landscape is anticipated to enhance efficiency, reduce transportation time and costs, stimulate job creation, and increase throughput via transit routes. However, one of the central aspects that has garnered international attention is the perception of IMEC as an alternative to China's Belt and Road Initiative (BRI), which was initiated in 2013.³ This viewpoint, however, warrants a closer examination, taking into account the complex motivations and implications surrounding IMEC.

First and foremost, it is crucial to acknowledge that not all participants in IMEC view it as an outright challenge to China or an exercise in geopolitical rivalry. It must not be forgotten that countries such as Saudi Arabia, the UAE, and Jordan actively engage in the BRI, seeking to diversify their economies and attract foreign investments, including those from China. For these countries, IMEC represents an

² <http://www.surveyofpakistan.gov.pk/Download>

³ "The Geopolitics Of Connectivity: BRI And IMEC In Era Of US-China Rivalry," Eurasia Review, September 24, 2023.
<https://www.eurasiareview.com/14092023-the-geopolitics-of-connectivity-bri-and-imec-in-era-of-us-china-rivalry-oped/>

opportunity to consolidate economic wealth and to position themselves as global crossroads. They do not perceive IMEC and BRI as mutually exclusive but rather see the potential for complementary economic advantages. In this context, Saudi Arabia and the UAE view IMEC as a means to strengthen their economic and infrastructure positions in the evolving global connectivity landscape, particularly in light of developments following the Ukraine conflict.

For Saudi Arabia, the prospective corridor neatly fits into the Kingdom's agenda of re-modeling the country by creating a highly diversified economy by 2030, as part of its Saudi Vision 2030. The diversification of the Saudi economy is a central goal, and participation in IMEC aligns with this vision. For the UAE, participation in the IMEC initiative is also about opening up the country and its vast resources to the wider global audience. By doing so, they aim to attract investment and increase the country's geopolitical weight. The UAE has been positioning itself as a global hub for trade, tourism, and finance, and IMEC represents another step in this direction.

Furthermore, it is essential to recognize that parts of the proposed IMEC route share similarities with existing BRI infrastructure. Examples include the Haifa Port in Israel, which was largely under China's control until India's Adani Group acquired a significant stake in July 2022, and the Piraeus Port in Athens, previously controlled by the Chinese shipping company Costco.⁴ Additionally, the railway infrastructure connecting Greece with Central Europe is integrated into the BRI. This illustrates that China itself can potentially utilize multiple segments of the IMEC transport route, complicating any simplistic narrative of competition.

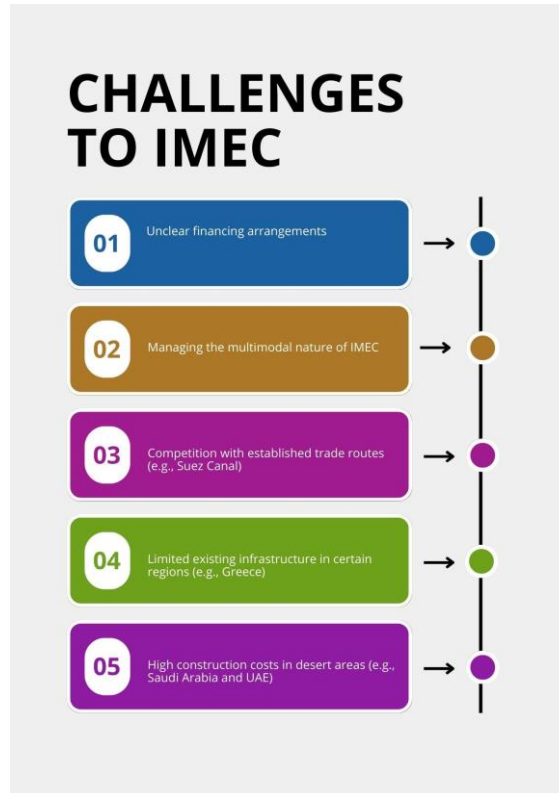
An additional noteworthy aspect to consider is the historical backdrop characterized by a series of unsuccessful endeavors that aimed to offer alternatives to the Belt and Road Initiative (BRI). Notable examples include the Build Back Better World (B3W) initiative, subsequently rebranded as the Partnership for Global Infrastructure and Investment (PGII), as well as the Blue Dot Network.⁵ These initiatives were marked by their absence of a centralized hierarchical framework akin to that provided by the Chinese government, which enables efficient coordination and rapid execution of projects. Furthermore, they encountered substantial difficulties in procuring the essential financial resources required for their successful realization. Notably, most of these initiatives failed to achieve meaningful implementation within the initial year of their announcement.

⁴ "What Adani's Haifa port purchase means for India-Israel ties and the Arab region," *The New Arab*, August 5, 2022.

<https://www.newarab.com/analysis/what-adanis-haifa-port-purchase-means-india-israel-ties>

⁵ "The "Build Back Better World": An Alternative to China's BRI for the Middle East?" *Middle East Institute*, July 20, 2021.

<https://www.mei.edu/publications/build-back-better-world-alternative-chinas-bri-middle-east>



While IMEC ostensibly holds huge promise, it is not without its share of challenges. One key challenge is determining the actual demand along the proposed corridor. Additionally, harmonizing regulations, taxations, and customs procedures is essential to ensure seamless operations. IMEC's multimodal nature, encompassing both land and sea sections, presents logistical complexities. Moreover, established trade routes, such as the Suez Canal, will continue to compete with IMEC. Successful trade corridors typically rely on existing infrastructure, which may not be readily available for IMEC. In Greece, where the EU ports closest to IMEC are located, underdeveloped railways due to geographical challenges and financial constraints pose a significant hurdle. ⁶ In the Gulf region, constructing a railway network across vast deserts in Saudi Arabia and the UAE will substantially increase project costs. Questions also persist regarding the financing of this ambitious endeavor, with neither the United States nor the EU providing comprehensive explanations at this stage. The IMEC announcement is an extension of the G7's commitment made in June 2023 to raise \$600 billion, from both private and public sources, over five years to fund infrastructure projects in developing countries. Over the next two months, the governments participating in IMEC will work on

⁶ "Greece has derailed: tens of thousands of protesters 'rage' over train disaster," The Guardian, March 8, 2023.
<https://www.theguardian.com/world/2023/mar/08/greece-has-derailed-tens-of-thousands-of-protesters-rage-over-train-disaster>

developing a plan of action. This plan will include setting specific timing goals and creating standards related to financing and regulations, among other topics.⁷

However, it is vital to approach IMEC with a nuanced understanding, acknowledging the multifaceted motivations of participating countries and the intricate web of global infrastructure initiatives. While it may be perceived as a response to China's BRI, IMEC's true impact and success will depend on its ability to navigate challenges, address logistical complexities, and secure the necessary financial resources. In the grand tapestry of global connectivity, IMEC represents a bold stroke, but its full potential and the extent of its impact will only become clear as the corridors are built, the railways laid, and the ports developed.

It is a reminder that in the realm of international relations and economic cooperation, the landscape is ever-evolving, and each initiative contributes to the intricate mosaic of global connectivity. The true test of IMEC's success will lie in its ability to foster economic growth, enhance trade, and promote cooperation among the nations it seeks to connect. As the world watches the progress of this ambitious project, it serves as a reminder of the transformative power of infrastructure in shaping the future of nations and regions.

⁷ "The India-Middle East-Europe Economic Corridor (IMEC): What We Know and What Comes Next," Global Public Policy Insights, September 25, 2023. https://www.capitalthinkingblog.com/2023/09/the-india-middle-east-europe-economic-corridor-imec-what-we-know-and-what-comes-next/?utm_source=mondaq&utm_medium=syndication&utm_term=International-Law&utm_content=articleoriginal&utm_campaign=article